



For Immediate Release
October 4, 2001

Contact: Neil Bradley
202-226-9717

Republicans Announce Criteria for Economic Stimulus Package *Propose Specific Policies*

WASHINGTON—Today, members of the House Republican Study Committee (RSC), a caucus of over 70 conservatives in the House, proposed criteria for an economic stimulus package. **RSC members emphasized that the nation needs an economic stimulus package that has only one focus: job creation and job retention through economic growth.** Every stimulus proposal should help create jobs or help ensure that workers retain their current job.

Specific Proposals for the Economic Stimulus Package

PROPOSAL:	IMPACT ON JOB CREATION AND RETENTION:
Accelerate Individual Rate Reductions Enacted Earlier This Year	The tax rate reductions enacted earlier this year contained numerous incentives for work, savings, and investment: including a tax rate reduction for individuals and small businesses, IRA expansion, and death tax repeal. Unfortunately, many provisions do not take effect until 2004, 2006, and 2010. This means that the economic growth that will lead to job creation and retention will not be realized until that time. Accelerating the implementation of these provisions will create new jobs and help retain current jobs now.
Capital Gains Tax Reduction	The current capital gains tax deters individuals from investing in businesses, which in turn deprives employers of much needed capital that is necessary for businesses to grow and expand. A reduction in the capital gains tax will stimulate new investment and a more productive use of capital leading to economic growth and job creation and job retention.
Expanded Business Expensing & Depreciation	Current tax laws provide a weak incentive for businesses to buy new technology and equipment. Expanding and accelerating business expensing and depreciation will provide a greater incentive for businesses to invest and improve their financial situation thereby increasing economic growth and leading to better job creation and job retention.
Repeal the Corporate AMT	Because of the way the Corporate Alternative Minimum Tax (AMT) is structured, the government currently imposes a higher effective tax rate on businesses during an economic downturn. The Corporate AMT makes it harder for businesses to remain profitable and retain current employees or expand to create new jobs. Repealing the Corporate AMT would increase economic growth making it easier for businesses to retain workers and to create new jobs.